Extramural Fund Management

December 9, 2021
Managing Carry Forward Balance:
What happens in General Ledger and financial Deliverables?

Yoon Lee
How can I tell if my fund requires prior sponsor’s approval to carry over the balance?

- In addition to award snapshot and the agreement, PAMS Financial Deliverable page shows “Restricted CF”. An automatic feed from PATS.

How can I tell if my fund has restricted carry forward balance?

- Check if you see the holding account 400005 linked to the fund in General Ledger. The appropriation amount in the holding account represents the balance requested for carry forward but not yet approved.
Holding Account 400005

- The holding account 400005 is used to segregate the restricted carry forward balance from the remaining budget available for spending.

- When EFM prepares a financial deliverable for the budget period for the award with restricted carry forward,
  - If there’s the unspent budget from the budget year, EFM links the holding account 400005 to the fund and move the balance from the department expenses account to the holding account.
  - The balance in the holding account is restricted for spending until sponsor’s approval is obtained.
  - EFM indicates an intent to request for carry forward of the balance in the invoice or financial report.

- If/When the sponsor approves to carry forward the balance,
  - EFM moves the balance in the holding account 400005 to the department expense account to lift restriction on funding.

- If/When the sponsor approves to carry forward the balance,
  - EFM de-obligates the balance in the holding account. The total appropriation on the fund is reduced by the balance.

- Monitor spending against budget – Exclude restricted budget in the holding account 400005.
  - There’s no hard control in Financial System to stop you from spending over the budget.
  - It is important to read and understand budget vs actual expenditures in General Ledger.
  - The total appropriation on the fund includes the budget in the holding account not authorized for spending.
• In the invoice or financial report to close out the budget year, EFM indicates an intent to request to carry forward the balance.

• The department fund manager assists the PI to request to carry forward the balance. The balance amount is on the invoice or financial report submitted to the sponsor.
  ◦ Department fund manager and the PI are copied to all financial deliverable submission.
  ◦ A copy of financial deliverable is available for preview and download in PAMS.

• Excerpts from various invoice and financial report

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**Financial Deliverables**

- This is the final invoice to close out budget period 1/1/20-12/31/20. Please do not close award.
- PI requesting no-cost extension.
- To be requested for carryforward by PI under a separate cover.
- PI to request carryforward balance of $109,977.12 under a separate cover.
- Please note this is not the final invoice to close the award. There is a continuation pending for Year 5.
- The unexpended balance of $48,620.30 will be requested for carryforward by the PI.
NIH Example: Federal Financial Report

Unspent budget at the end of budget period, 5/31/20

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

08/28/20: PI will request the balance on line 10 h. to be carried forward to the next budget period.
### NIH Example: Federal Financial Report

#### 10. Transactions

<table>
<thead>
<tr>
<th>Federal Expenditures and Unobligated Balance:</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>d. Total Federal funds authorized</td>
<td>1,734,016.00</td>
</tr>
<tr>
<td>e. Federal share of expenditures</td>
<td>1,537,426.74</td>
</tr>
<tr>
<td>f. Federal share of unliquidated obligations</td>
<td>0.00</td>
</tr>
<tr>
<td>g. Total Federal share (sum of lines e and f)</td>
<td>1,537,426.74</td>
</tr>
<tr>
<td>h. Unobligated balance of Federal funds (line d minus g)</td>
<td><strong>196,589.26</strong></td>
</tr>
</tbody>
</table>

#### Restricted carry forward balance in the holding account

<table>
<thead>
<tr>
<th>Account/CC</th>
<th>Sub</th>
<th>Curr Month Financial</th>
<th>Fiscal Year</th>
<th>Inception to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>229000</td>
<td>20</td>
<td>42,422.17</td>
<td>Appropriation</td>
<td>1,012,512.93</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Financial</td>
<td>48,958.08</td>
</tr>
<tr>
<td>400005/8A</td>
<td>08</td>
<td>0.00</td>
<td>Appropriation</td>
<td><strong>196,589.26</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Financial</td>
<td>0.00</td>
</tr>
<tr>
<td>441404/HD</td>
<td>00</td>
<td>822.00</td>
<td>59,865.00</td>
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<tr>
<td></td>
<td>02</td>
<td>19,608.00</td>
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<tr>
<td></td>
<td>03</td>
<td>1,200.00</td>
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<tr>
<td></td>
<td>05</td>
<td>307.43</td>
<td>33,915.00</td>
<td>307.43</td>
</tr>
<tr>
<td></td>
<td>06</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Billing and Payment

• EFM recognizes revenue only up to the budget authorized for spending excluding the restricted carry forward balance in the holding account.

• When a carry forward request is approved, EFM moves the balance from the holding account to the department expense account and submit a request for payment for costs incurred while waiting for the sponsor’s approval.
  ◦ A request for payment will be done either by submitting an invoice or drawing cash on letter of credit in accordance with payment terms of the award.

• If a carry forward request is rejected, EFM de-obligates the balance from the holding account. If there are any costs incurred in excess of budget authorized for spending, the department is responsible for funding those costs.
  ◦ Until the sponsor’s approval is received, the carry forward balance should not be considered as available funding to spend. If the PI requests for spending against the restricted budget, explain financial responsibility in the event the request is not approved.
• This is a new account created to segregate funding restricted for spending for reasons other than restricted carry forward. Such restrictions are included in the award document and called out in the award snapshot attachment.

• When the award includes the funding restricted for spending until certain conditions are satisfied, the restricted amount will be placed in the holding account 400006.

• When conditions are satisfied, the department fund manager assists the PI to request the sponsor to lift restrictions through OCGA. Once the sponsor confirms that restriction is lifted, EFM will move the balance from the holding account 400006 to a department expense account.

• Example Scenarios

  This Snapshot: Sponsor award dated 06/29/2021 provides continuation funding in the amount of $332,847 for YR-20. Funds are restricted due to noncompliance with the NIH Public Access Policy, as stated above.

  This Snapshot: Sponsor award dated 03/10/2020 provides continuation funding in the amount of $514,240 for Year 5. Note that of this funding, $411,391 (80% of the approved budget) restricted due to the delinquent submissions of the Year 3 FFR and trainee IRB certifications. The delinquent Year 3 FFR and trainee IRB certifications must be submitted no later than 3/31/2020. Failure to submit the form(s) may result in suspension, and/or termination of this award, withholding of support, disallowances, and/or other appropriate action.
Any Questions?

Contact Information

EFM Website
https://efm.research.ucla.edu/

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“Thank You for Your Support and Partnership!”

Happy Holidays!
from Extramural Fund Management

There’s no place like for the holidays!